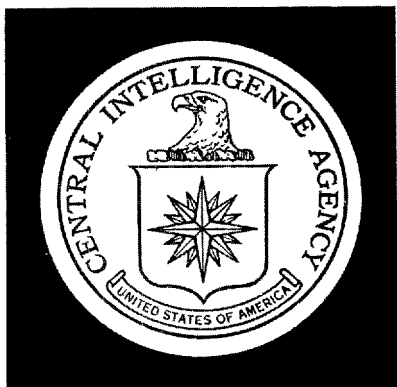


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

ARMY review(s) completed.

State Dept. review completed

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FAR EAST

Peking has abruptly moderated its tactics toward the Soviet Union, and apparently is also similarly shifting its approach to the Cultural Revolution. On 12 February, after nearly three weeks of escalating invective, the Chinese mobs that had been holding the Soviet Embassy in Peking in a virtual state of siege withdrew. Other steps also helped reduce the immediate tensions between Moscow and Peking, but the reasons for the shift are not yet clear. Although Moscow claims credit, the change seems related to Chinese domestic developments.

The Peking authorities, led by Premier Chou En-lai, apparently have begun a concerted effort to curb Red Guard excesses. Militants have been advised to ease their approach to erring officials, and broadcasts have criticized young revolutionaries, especially ultraleftists. Unlike similar efforts last fall, these directives bear the endorsement of Mao and other top leaders. The regime still faces serious trouble on many fronts, however, with stiff resistance to Mao supporters evidently continuing in several provinces and further high military officers being purged.

The new year's cease-fire in Vietnam passed without significant military action, but the North Vietnamese mounted a well-organized, major logistics effort just north of the Demilitarized Zone, and sent an unusually large number of trucks through the Mu Gia Pass toward the routes through southern Laos.

The anti-Sukarno bandwagon rolls on in Indonesia. Parliament's unanimous request for Congress to oust the President and bring him to trial seems to leave Sukarno no escape from formal dismissal unless he resigns--a course that the government is still trying to arrange.

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VIETNAM

During the four-day Tet cease-fire that ended on 12 February, the Communists engaged in a major resupply of North Vietnamese units in the area of the Demilitarized Zone (DMZ) and initiated a total of some 338 military incidents throughout South Vietnam.

Most of the resupply activity was accomplished during the first 60 hours of the cease-fire, suggesting that the Communists had made extensive preparations for a concentrated, large-scale logistics effort. Air and ground observers reported some 2,200 trucks in the southern DRV, many of them transporting goods into the Laos panhandle. US observers also reported sighting about 1,500 coastal craft operating between the 19th and the 17th parallels during the truce period. Normally in recent months, sightings in this area have been limited to about 30 boats a day.

Of the 338 Communist-initiated incidents, 140 were considered major, involving casualties, large enemy forces, new or different weapons, or a heavy volume of weapons fire. Cumulative Communist casualties resulting from these incidents were reported as 112 killed, two captured, and 65 suspects detained. The US suffered 17 killed and 158 wounded, and the South Vietnamese military reported 12 killed and 29 wounded. At least three quarters of the enemy-initiated actions were di-

rected against US forces, and consisted primarily of small-unit forays against reconnaissance patrols and defensive positions.

On 13 February, with Tet ended, Viet Cong guerrillas launched a mortar attack from within the city of Saigon for the first time. Although the target--MACV headquarters--was not hit, one of the four rounds fired at the military compound exploded in the midst of a convoy of South Vietnamese airborne troops, killing eight and wounding several more. An explosion, apparently planned by the terrorists, later destroyed the house from where the attack originated.

In a continuing effort to disrupt allied shipping, the Viet Cong in mid-week attacked two US minesweepers on the Long Tau River--the main shipping route between Saigon and the South China Sea. A third minesweeper struck a mine and sank in the channel, which nevertheless remains open to shipping.

The Communists also infiltrated a US Army airfield at Nha Trang on 15 February and planted explosive charges near parked US aircraft. Although there were no American casualties, three helicopters were destroyed and five others were damaged.

Since the end of the Tet cease-fire, major ground fighting

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between allied and Communist forces involved a battalion-size enemy attack on a South Korean field position in the coastal flatlands of Quang Ngai Province. Preliminary reports indicate that more than 250 of the enemy were killed by an allied counterattack supported by artillery and tactical air strikes. Allied casualties were reportedly light.

Diplomatic Moves

In London, Soviet Premier Kosygin's public comments on the Vietnamese war were clearly intended to increase pressure on the US for an unconditional end to bombing attacks on the North, in response to Hanoi's hints that North Vietnamese - US talks could then get under way. Although his remarks offered an unusually clear reflection of Moscow's preference for a political solution they indicated no substantive change in Soviet support for Hanoi's stand on the war.

Hanoi propaganda has sought to put the onus for the resumption of hostilities on the US.

Since the end of Tet, North Vietnam's commentaries on prospects for a settlement in Vietnam have been emphasizing the traditional hard-line formulation as embodied in the "four points." A letter to Pope Paul from Ho Chi Minh on 13 February and an Army Daily commentary the following day coupled the bombing cessation with all other long-standing North Vietnamese demands.

Saigon's Politics

Official government activity in Saigon was at a virtual standstill during the entire Tet holiday. In a speech during the week, General Thieu, in his role as chief of state, reiterated South Vietnamese determination to struggle against Communism as an example to the rest of Southeast Asia. He also appealed for civilian-military cooperation, stating that there must be a division of responsibilities between the two groups in the future government. He added that this did not mean that the future president or prime minister must come from the military.

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COMMUNIST INSURGENCY IN THAILAND

Although Communist insurgent efforts have met with some success recently in North and north-east Thailand, increasingly aggressive government counter-insurgency operations have prevented the Communists from initiating "offensive" paramilitary activities. Police efforts have reportedly been effective against subversive activity in the west-central provinces as well.

In early February, an 80-man insurgent force accepted combat from a company-size Thai Army patrol in Nakhon Phanom Province, resulting in four insurgents killed and 40 captured. This clash, the largest reported to date, indicates a growing determination by the Communists to defend their base areas. Increased clashes with security forces in the northeast may be expected as the government steps up its counterinsurgency efforts. The Communists still seem to be pursuing their main objective of strengthening their base areas by intimidating the local populace. They continue to rely primarily on such tactics as forced village propaganda meetings, and the kidnaping or assassination of selected village officials and police informers.

Evidence of Communist successes among Meo tribes in northern Thailand has recently been reported. [redacted]

[redacted] several Meo villages have

come under "heavy Communist influence as a result of Communist cadres conducting propaganda, recruiting, and medical treatment programs. [redacted]

[redacted] since 1960 a minimum of five Meo a year have been sent to Laos and North Vietnam for training. [redacted]

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A police sweep in the west-central provinces late last month provided information on Communist propaganda and recruiting efforts there. [redacted]

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[redacted] the large, four-day operation resulted in the arrest of 120 Chinese and Thai subversive suspects, some of whom had been linked to the Farmers' Liberation Association, a Communist front group with which small-scale clashes had previously occurred. A cache of 4,000 pounds of rice was also captured, as were some 30 documents, including lesson books, diaries, financial records, security instructions, and anti-US and anti - Thai Government literature. However, the Communists do not appear to have established an effective subversive structure in this area nor to have the capability to mount an insurgency program similar to the one in the northeast. [redacted]

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MAOIST LEADERS MOVE TO EASE CULTURAL REVOLUTION

Maoist leaders have made concerted efforts in recent days to moderate the "cultural revolution" and to curb the Red Guards. How this will affect the drive against Mao's opposition is as yet unclear. It is possible that Mao and Lin Piao believe that the opposition is badly weakened and can now be brought down by the use of conventional and less disorderly purge techniques. Unlike earlier periods of temporary moderation during the past year, Mao and Lin are both represented as endorsing the latest orders issued to implement the new line.

On the other hand, the shift to moderation may represent an increase in influence for the more realistic members of the leadership. Premier Chou En-lai, who has consistently pushed for less radical policies than Mao and Lin Piao, has been playing a more prominent role in the past few weeks. The very radical approach to the "cultural revolution" that was noted throughout late December and January had caused considerable economic disruption, especially in transportation, and fears may have arisen in Peking that continuation of the drive at the high pitch of those days would lead to still greater economic disorganization.

The heavy emphasis on the necessity to engage in spring

plowing may be a reflection of this concern. A major campaign to plunge peasants and party cadre into agricultural work has apparently been launched. A People's Daily editorial of 11 February exhorted joint peasant and cadre efforts to get spring plowing under way. This theme is now being highlighted in provincial broadcasts.

At the same time, according to official wallposters put up in Peking, the movement of revolutionary rebels has been halted, primary and secondary schools and military institutions are being reopened, and military units have been directed to return to their normal routine. 25X1

Chinese broadcasts on the "cultural revolution" have become less radical in tone since about 1 February. They praise old-line party officials for their political maturity and experience, saying that they are the "treasure" of the party and can become the "backbone of the struggle to seize power." Young revolutionaries, who are coming in for a good deal of criticism themselves, are told to use and trust party officials. Broadcasts charge that

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revolutionary rebels are often hard to discipline, and that some are ultraleftists who "advocate aimless fighting" and refuse to cooperate with party officials retained in new revolutionary governments that have been formed in some areas.

Peking has adopted a more lenient policy toward errant party

officials. According to posters, on 1 February Chou told a group of revolutionaries to stop humiliating officials publicly, especially junior officials, because this practice might alienate the revolutionary movement from the people. Since then, only a few officials wearing dunce caps have been seen paraded in Peking. According to



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official posters seen in Peking on 15 February, the central committee has issued a decree specifying that party members can be dismissed or punished only by the party, not by the "masses."

Peking broadcasts emphasize that provisional governments now being formed in some areas combine "three into one"--that is, are organizations in which local party officials, PLA commanders, and Maoist militants all participate.

The propaganda has put special stress on the need to gain the wholehearted support of local commanders before seizing power--a requirement that may be holding up the drive against Mao's opponents. Peking has reported that power has been taken from party committees in only three provinces and in the cities of Shanghai and Tsingtao, and that no seizures have been reported since January. Posters seen in Peking have been charging that Maoist revolutionaries are opposed by local commanders in numerous military regions and subregions. Areas named in the past week include Tibet, Kansu, Inner Mongolia, Honan, Hunan, Kwangtung, and Fukien. No claims of seizure have been made for any of these provinces.

Opposition to Maoist militants remains especially strong in Tibet, but the apparent shift toward moderation in Peking may lead to a compromise and restoration of order.

According to posters put up in Peking, the Tibet Military Region command ordered martial law about 10 February, denounced some militants from Peking as "counterrevolutionaries," and claimed that it was acting on orders from the Military Affairs Committee in Peking. Posters in Peking signed by militant Red Guards have charged that military commanders in Tibet responsive to the first party secretary Chang Kuo-hua have been brutally suppressing revolutionaries, especially since 5 February when troops broke up a rally.

The drive against wavering or dissident military leaders continues in Peking as well as in the provinces. By now, several dozen senior military commanders and commissars have come under Red Guard fire. A few have been defended by Madame Mao and other "cultural revolution" officials and appear to remain in good standing. Many, however, have dropped out of sight and are attacked in such strong terms as to suggest that they are slated for early dismissal. The latest target--denounced in a poster put up in Peking on 13 February by a Red Guard unit in the armored forces--is Hsu Kuang-ta, commander of the armored forces. Like many other commanders who have recently come under attack, Hsu is said to have been a key figure in a group of plotters who planned a coup last spring or summer.

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COMMUNIST CHINA MODERATES ANTI-SOVIET CAMPAIGN

The Chinese have abruptly ended the harassment of Soviet diplomats in China and have reduced the level of their vehement anti-Soviet campaign, although Moscow and Peking continue their bitter exchange of polemics. The reasons for the sudden shift in Peking's tactics remain unclear, but Moscow is trying to make it appear that the Chinese knuckled under to Soviet pressure. Izvestia claimed on 14 February that the lifting of the siege of the Soviet Embassy in Peking was a direct result of the USSR's "firm stand in its statements of 4 and 9 February."

Both Peking's initiation of the campaign and its decision to return to a more moderate course, however, appear more connected to Chinese internal developments than to Soviet actions. The Chinese campaign began on 25 January, during one of the most violent phases of the "cultural revolution." The relaxation of pressure against the Soviet Embassy also appears to parallel the move to a more moderate internal policy which took place about 8 February.

The decision to shift gears probably was taken just prior to the 11 February rally in Peking which had been planned as a vitriolic anti-Soviet polemic. The cancellation of the announced appearance of injured Chinese diplomats from Moscow during the course of the proceedings suggests a hurried decision to reduce histrionics at the rally.

The siege of the Soviet Embassy was lifted on 12 February, when Chinese Foreign Ministry officials told the Russians that they could safely leave the compound if they avoided "provocative" acts. The Soviet diplomats had been confined for almost a week on the grounds that their safety could not be guaranteed outside. Mobs that had been demonstrating outside the embassy for nearly three weeks have dispersed.

On 13 February the Chinese ended harassment of the Soviet train crew operating the Peking-Moscow express. TASS reports that Chinese officials at the border station for the first time accepted a written protest from the conductor concerning ill-treatment of the train crew, and that the officials then had Chinese workmen remove anti-Soviet slogans which had been pasted on the train in Peking and during stops along the route.

Although internal politics probably played a major role in the Chinese decision, other considerations were also a factor. Peking may have concluded that the Soviets had been sufficiently humiliated by their seeming inability to protect personnel in China. Since Moscow would not permit itself to be forced into initiating a break in relations, further harassment of diplomats would serve to discredit Peking more than Moscow. At the same time, Hanoi almost certainly urged the

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Chinese to avoid any measures that would threaten the movement of Soviet supplies to North Vietnam.

Because of the unstable leadership situation in China, however, the decision to reduce Peking's anti-Soviet campaign can be reversed at any time. The Soviets also are aware of this possibility. In its commentary on the shift in Chinese tactics, Izvestia cautioned on 14 February that Peking's general anti-

Soviet offensive had not been at all weakened.

The Soviets may still be concerned with the possibilities of trouble along the border with China. On 15 February, the Soviet Army newspaper Red Star claimed that Komsomol members had been attached to frontier guard units along the Amur river on the Manchurian border.

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WAY PAVED FOR SUKARNO'S OUSTER IN INDONESIA

Forces in Indonesia seeking the ouster of President Sukarno have taken their campaign several steps further. They still hope to avoid possible internal disorder by securing his resignation, but are proceeding with the steps necessary to secure his dismissal by Congress next month. Either way, his early departure from the presidency seems increasingly certain.

Sukarno's loss of political influence was most dramatically shown when Parliament, which forms a major part of Congress, unanimously passed a resolution on 9 February asking Congress to take formal action to oust the President and to order an investigation that would lead to the placing of criminal charges against him. Even Sukarno's erstwhile supporters in the National Party voted for the resolution after their motion opposing General Suharto's "New Order" failed to attract any support.

The resolution was strengthened several days later by Gen. Suharto's report to congressional leaders documenting Sukarno's involvement in the coup and his financial manipulations involving several millions of dollars. This underlines the likelihood of Sukarno's formal dismissal when Congress meets on 6 March, if he does not resign.

Sukarno, for his part, continues to bluster his way through in an attempt to stall for time, confuse his enemies, encourage his friends, and salvage his dignity. He alternately agrees to resign, refuses to resign, agrees to leave the country, suggests compromise, and promises to resist to the bitter end. However, increasing official and popular pressures may cause him to capitulate at any time.

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EUROPE

London and Moscow are adding up the accomplishments of Premier Kosygin's week-long visit to Britain. British officials were particularly impressed by Kosygin's apparent desire to make this visit appear more significant than had his earlier trip to France. Even though the British cannot point to any startling concrete results, London believes that the dialogues on various international questions, especially Vietnam, were useful and will be continued. The British press has hailed these dialogues and the bilateral agreement on trade, on the establishment of a "hot line" between London and Moscow, and on the settlement of financial claims in the Baltic, as significant steps toward a European detente, a principal goal of British foreign policy.

For their part, the Soviets probably consider the visit another success in their sustained effort to promote "normality" in relations with Western Europe by the pomp and circumstance of such state occasions.

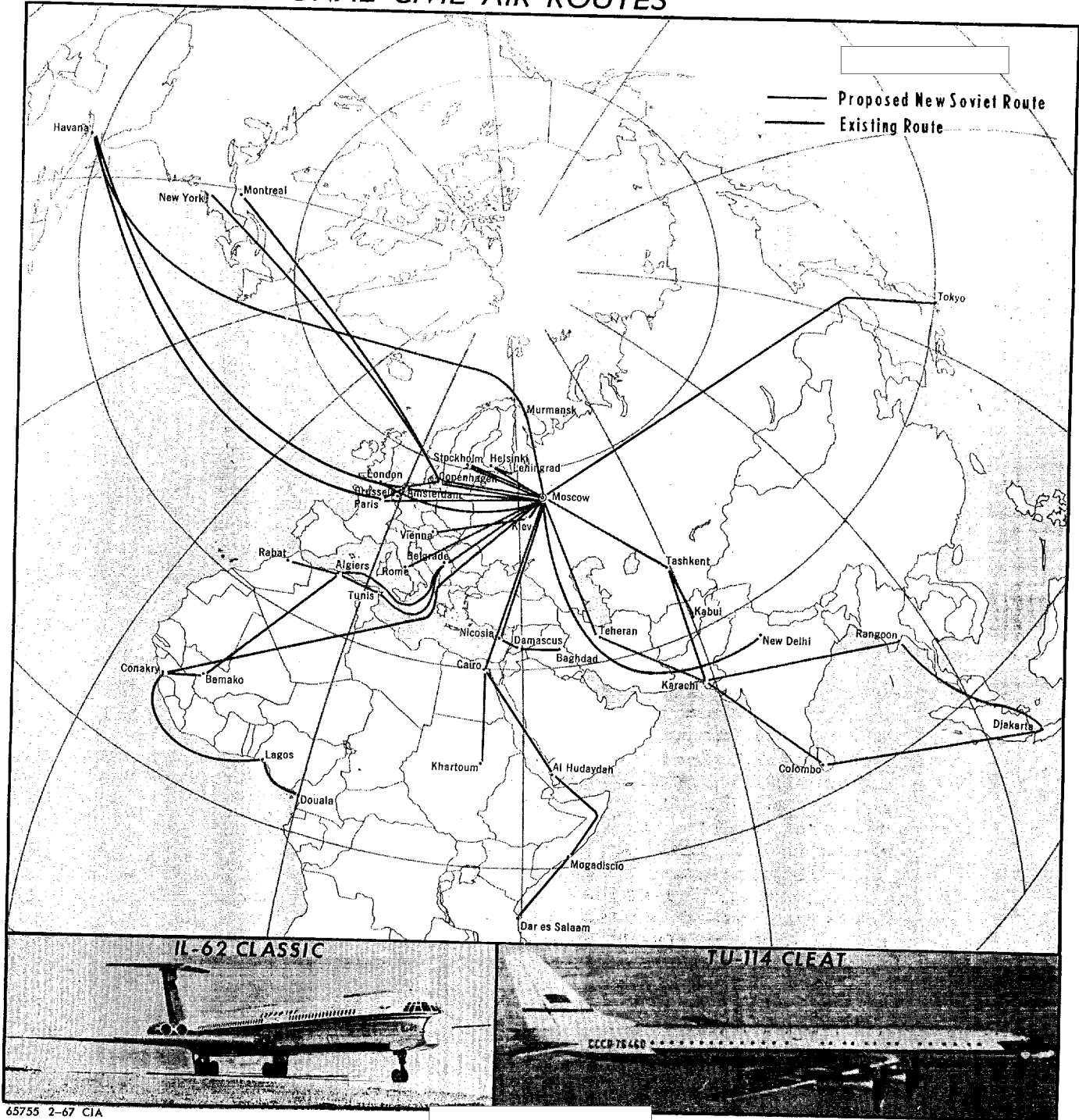
In Eastern Europe, the Soviets may be less pleased with the results of their diplomacy. Moscow has favored the growing detente between Eastern and Western Europe but has misgivings about quick and unconditional East European acceptance of recent West German overtures. Bonn's initiatives have borne fruit in the establishment of diplomatic relations with Rumania, possibly to be followed by Bulgaria and Hungary. At the Warsaw Pact foreign ministers' meeting in Warsaw last week, the Soviets, along with the East Germans, seemingly were able to do little more than induce delay in this aspect of the trend toward detente.

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USSR: INTERNATIONAL CIVIL AIR ROUTES



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SOVIET INTERNATIONAL CIVIL AIR ROUTES EXPANDING

The USSR continues to expand its international air routes. Moscow's civil airline, Aeroflot, began regular air service to Canada last November and will initiate flights to both the US and Japan this spring. The groundwork is being laid for the addition of several African countries to its current schedule, and Moscow probably will increase its efforts to negotiate agreements with several Latin American countries.

Agreement has been reached between Pan American Airlines and Aeroflot for twice-weekly service between Moscow and New York beginning in May. Moscow initially will use its giant four-motored turboprop TU-114 Cleat--the aircraft now flying the Murmansk-Havana run--but will switch to its new long-range jet transport, the IL-62 Classic, later in the year. The IL-62, which went into series production last year, made its first international test flight last week to Prague.

Regular service between Moscow and Tokyo via Siberia, initially to be a joint operation by Japan Air Lines and Aeroflot using Soviet aircraft and crews, is scheduled to begin this spring. Soviet agreement to open up the much-coveted trans-Siberian route to the Far East even on a restricted basis has evoked considerable interest among other Western carriers. The Scandinavian Airlines System (SAS) received rights similar to those obtained by the Japanese in return for the Aeroflot right to overfly and make technical stops in Sweden and Denmark en route to and from Cuba, stopping also either in France or the

Netherlands. A joint SAS-Aeroflot operation similar to the JAL-Aeroflot arrangement may develop if Japanese approval for landing rights in Tokyo can be obtained. In addition, French, Dutch, and West German airlines have expressed an interest in obtaining the Siberian air route concession. Both France and the Netherlands probably would insist on this as a quid pro quo for granting Aeroflot the right to fly from Paris or Amsterdam to Havana.

Soviet flights on its West African run soon may include new stops at Lagos, Nigeria, and at Douala, Cameroon. An air agreement was concluded with Nigeria on 26 January and negotiations with Cameroon are scheduled to resume the end of this month. Moscow, discouraged from making regularly scheduled flights to Kenya, Uganda, and Tanzania because of Sudanese refusal to grant the Soviets the right to pick up passengers at Khartoum for Nairobi and Entebbe, now may be taking steps to arrange regular service to the Somali Republic and Tanzania via Cairo and Hudaydah--the route now employed for its chartered flights to those countries.

The USSR also is reviewing the feasibility of opening a route to several Latin American countries, notably Brazil, Argentina, Uruguay, and Chile. Although Moscow is reported to have requested air service rights from Rio de Janeiro and Buenos Aires, serious negotiations have not yet been initiated with any of these countries.

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NEW SOVIET SPACECRAFT PROBABLY INTENDED FOR DUAL MISSIONS

The USSR has conducted two orbital tests of a new type of recoverable spacecraft that may be intended for both manned lunar and earth-orbit missions.

In both tests--Cosmos 133 last November, and Cosmos 140 early this month--an unmanned capsule was orbited from Tyuratam and brought down two days later inside the USSR. The launch vehicle in the two tests probably was the standard SL-4, which uses an SS-6 booster with a maximum orbital payload of about 15,000 pounds. The new capsule is probably in the same weight class as earlier Soviet manned spacecraft.

The new spacecraft may be designed for rendezvous and docking. Neither the Vostok nor its 25X1
uprated version, the two- and three-man Voskhod, had this capability.

This spacecraft may also be 25X1
destined for use in manned lunar flights.

Soviet scientists have indicated that they plan to

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perform a manned circumlunar flight--looping around the moon and returning to earth--before a manned lunar landing. The new capsule may eventually be used for this purpose. However,

the Soviets probably will not be capable of attempting a manned circumlunar flight before 1968. [REDACTED]

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WARSAW PACT FAILS TO REACH CONSENSUS ON GERMANY

The Warsaw Pact foreign ministers' meeting in Warsaw last week probably did little to resolve the main European policy problem--Bonn's initiatives in Eastern Europe--now facing Moscow and its Eastern European allies.

Rumania, whose establishment of diplomatic relations with West Germany on 1 February added urgency to the pact meeting, has remained adamant. Piqued by sharp East German criticism, Bucharest reportedly refused to attend the conclave if it were held in East Berlin as originally planned, or if Rumanian policy was to be criticized. Even after these conditions were met, the wary Ru-

manians assigned only a deputy foreign minister to head their delegation.

The principal disagreement probably arose over the extent to which Eastern European states dealing with Bonn should follow the precepts laid down at the Bucharest conference of July 1966. These include demands that as preconditions for "normalizing" relations Bonn must recognize East Germany, accept the Oder-Neisse border with Poland, and formally reject the acquisition of nuclear weapons.

Although both East Germany and Poland subscribe to these precepts the Poles [REDACTED]

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[redacted]
[redacted] are continuing to make tentative soundings of West German intentions. Warsaw and Pankow, however, probably were united in urging the others not to follow Bucharest's example by extending diplomatic recognition to Bonn virtually without preconditions.

Despite some increase in their anti - West German propaganda, it is likely that Eastern European regimes--except East Germany--will continue to draw a line between diplomatic and "normalized" relations, and will respond to Bonn's overtures on an individual basis. Hungary and Bulgaria may follow Rumania's lead in the near future, and Czechoslovakia also has undertaken initial discussions with the West Germans. The only apparent result of Brezhnev's trip to Prague on the eve of the Warsaw Pact meeting has been the postponement of the next round of Czech talks with Bonn from March to April.

For its own purposes, Moscow continues to want to foster a rapprochement with Western Europe. At the same time, however, it must deal with the effects of this development on its alliance in Eastern Europe. The Soviets, like East Germany and Poland, apparently fear that too rapid establishment of West German - East European diplomatic relations would have--in the words of Polish Foreign Minister Rapacki--the "moral value of a peace treaty" with regard to isolating East Germany. While Moscow neither can nor wants to stop East-West contacts, it is trying to make clear that those involving West Germany do not represent a softening of the East's opposition to Bonn's policies on key issues pertaining to the territorial status quo in central Europe. The Soviet objective probably is to persuade its allies to extract as great a price as possible from the Federal Republic. In pursuing this goal, Moscow is likely to encourage a new round of bilateral talks among Warsaw Pact members.

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GENEVA DISARMAMENT TALKS RESUME ON 21 FEBRUARY

The Eighteen Nation Disarmament Committee (ENDC) reconvenes in Geneva on 21 February in an atmosphere of hope that agreement may be in sight on a treaty to curb the spread of nuclear weapons. Largely an academic question at previous sessions of the ENDC, a nonproliferation treaty has become a tangible possibility in recent months because past differences between Moscow and Washington have narrowed. However, some of the Western allies retain reservations about the proposed text of the treaty, and the nonaligned countries increasingly insist that the present preponderance of the nuclear super powers must somehow be redressed.

In 1965 the US proposed a nonproliferation treaty prohibiting the transfer of nuclear weapons to the national control of any nonnuclear state, and forbidding nuclear states to take any other action that would increase the total number of states having independent power to use such weapons. The language of this draft would not have precluded the creation of a multilateral nuclear force, and for this reason in part the Soviet Union would not accept it.

A newly proposed draft, seeking to answer the Soviet objections, would rule out such a force although an eventually federated Europe would inherit the rights of a nuclear member. Provision is also made for safeguarding the sale and transmission of fissionable materials by the International Atomic Energy Agency, and for reviewing the operation of the treaty after five years.

A majority of the NATO allies support the new draft, but some members continue to have reservations. At the North Atlantic Council meeting of 8 February, the Italian representative stated that Rome did not consider the new draft acceptable, in part because it would place a roadblock in the path of European unity, would keep some allies in an inferior position, and would not provide for the nuclear disarmament of nuclear powers. It is unclear how hard Italy will press its reservations in the ENDC sessions.

Despite the Bonn government's endorsement of the draft in principle, it remains concerned that the treaty would restrict the peaceful uses of atomic energy by nonnuclears and would impede European technological growth. The West German public holds a widespread belief that the treaty would lock their country into a permanently inferior position.

France has stated that it does not intend to sign the treaty. Moreover, some of the eight nonaligned countries in the ENDC will almost certainly have problems with the new draft and may seek alliance with the opposition in Western Europe.

India, for example, is likely to push for security guarantees to accompany the treaty, as well as for some indication from the nuclear powers that they will take disarmament measures. Japan, which is not a member of the ENDC but is trying to get in, will support any moves for a security guarantee, but it may object to the proposed ban on the acquisition of a peaceful nuclear explosives capability.

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PARLIAMENTARY PROBLEMS PLAGUE ITALIAN GOVERNMENT

The situation within Italy's three-party coalition continues unsteady. Recurrent difficulties in enacting legislation, shaky party discipline, and dissent on a number of thorny problems have undermined cooperation between the principal governing partners, the Christian Democrats and Socialists.

The most recent crisis arose earlier this month when some Christian Democratic and Socialist senators broke party discipline to defeat the government's bill on freezing social security workers' wages.

A crisis was averted when agreement was reached to resubmit the wage bill to the Senate in return for a government commitment to impose greater control over an agricultural organization that has been a vehicle for Christian Democratic patronage.

The imbroglio over the defeat in the Senate is symptomatic of the coalition's problems in recent weeks. The government has been in the minority in Parliament several times and occasionally has had to resort to votes of confidence in order to rally support. There is disagreement within the coalition over farm cooperatives, educational reforms, a tax on dividends, and a bill for the reform of corporations. The divorce issue--although likely to be pigeonholed--also exerts a divisive influence.

Such disagreements, parliamentary mishaps, and votes of confidence in marginal cases are chronic in Italian coalition politics, and the partners are as usual inclined to paper over their differences when these reach a critical stage. Nevertheless, lack of backbench discipline keeps the situation fluid, and the possibility remains that Moro will feel obliged to seek a cabinet reshuffle.

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MIDDLE EAST - AFRICA

The Congo and Union Miniere are apparently nearing agreement on an arrangement for the copper industry, but many details have been left in the air because of Mobutu's preoccupation with the recent African summit conference in Kinshasa. This conclave registered a number of propaganda points but appears to have achieved little of substance.

Nigerian leaders continue their drift apart and in Lagos there is increasing talk of military action as the way to return Ojukwu and the East to the fold. Across the continent, intelligence interest is focusing on the Horn of Africa where the referendum on the status of French Somaliland is but a month away. The Somali Republic is putting more troops near the border, a move bound to heighten Haile Selassie's worries over the prospect of a French departure.

Across the Gulf of Aden, meanwhile, increasing violence and Adeni nationalist terrorism is making all but impossible the British task of arranging for an orderly transition of rule, undoubtedly to the delight of the Egyptians. (The Aden scene is described on page 20.) Cairo's latest move to harass the conservative Arab states and the Western powers has been to ban US and UK military overflights, thereby interrupting US arms shipments to Jordan. The Syrians have turned down the latest Iraq Petroleum Company proposal for putting Iraqi oil back in the pipeline, but pressures working in both Damascus and Baghdad may yet achieve this.

The Indian elections dominate the news from the subcontinent, but meaningful returns are not expected until late next week.

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BRITISH FACE MORE VIOLENCE IN ADEN

Three days of violence in Aden last weekend have further eroded local confidence in the ability of British authorities to maintain order in a situation being pushed to a state of anarchy. The Arab nationalists instigating the violence may now overestimate their popular strength and force the British to take sterner action. Thus, the prospects are steadily growing poorer for a settlement that would allow an orderly transition to a successor government under the South Arabia Federation after the British departure--scheduled for 1 January 1968.

The violence grew out of a general strike and demonstrations called for 11 February on the anniversary of the Federation, and from competition between the two Adeni nationalist terrorist organizations. The Front for the Liberation of Occupied South Yemen was determined to demonstrate by violence that it enjoyed greater popular support than the National Liberation Front (NLF), which had called a successful strike on 19 January. Both organizations have enjoyed Egyptian support in the past, and they are now struggling for the leadership of Adeni nationalism--a feud that serves to further the Egyptian objective of disrupting beyond recovery the last days of British-backed rule.

During the general strike, which began on 10 February and continued between periods of curfew through 12 February, one policeman was killed and 52 persons were in-

jured, including 29 security men, by terrorist grenade, shooting, and mortar attacks. Security forces killed nine and arrested 900, including some 100 illegal Yemeni immigrants who will be deported.

The competition between the nationalist groups threatens further violence for Aden, particularly as the size of crowds and the viciousness of terror tactics force the British security forces to take more repressive measures. The NLF is now calling for a continuation of the general strike to protest the deaths of three rioters and the arrest of a recently returned Adeni nationalist leader.

Meanwhile, fear, anger, and repressed excitement are paralyzing normal life in Aden. Although a daytime curfew was lifted on the 14th, shopkeepers have hesitated to lift their iron shutters. Only a few of the 24 ships awaiting the reopening of the port have entered, and the petroleum workers union, protesting against the night curfew, is now calling for a further strike, which would prevent bunkering.

The United Nations is preparing to send a special mission to investigate matters in Aden. Although the British have agreed to accept it, the members have not yet been chosen, and it is not even certain whether it will contain three or five members. Meanwhile, the escalation of terrorism and countermeasures almost eliminates the possibility that the mission will be able to accomplish any^{25X1} thing.

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TANZANIA SWALLOWS A DOSE OF SOCIALISM

President Nyerere moved abruptly last week to implement the socialist principles embodied in Tanzania's constitution. His nationalization of commercial banks, in particular, has caused at least a temporary crisis of confidence within the East African economic community.

Nyerere also nationalized the largest import-export firms, all sisal estates, and took a controlling share in certain industrial concerns. However, he sweetened the pill by promising full compensation to owners, mostly Asians and Europeans, and by assuring other firms no further take-overs were planned. He said that in other areas of the economy, private investment would be welcome.

Nyerere wants to mobilize his country's limited resources for the benefit of all in a society free of elite groups and "capitalist exploiters," and hopes to achieve this by controlling the means of production, credit, and wholesale trade. Although in recent years the government has gradually gained some economic control through cooperatives and corporations having joint public-private ownership, the separatist Asian community continues to dominate the economy, thereby blocking impatient Africans from meaningful jobs.

Nyerere's recent change of pace was provoked by a resolution of his party's labor union on 2 January which criticized the slow implementation of socialism and denounced politicians who exploit their position for personal gain. Stung

by the criticism, Nyerere embarked on a month-long tour to evoke a new sense of national purpose. His speeches calling for self-reliance and socialism reflect his realization that significant Western aid will not be forthcoming and his belief that uncontrolled foreign investment does not permit true independence. These speeches stimulated a flight of capital, precipitating the bank nationalization.

Although Nyerere has tried to demarcate his commitment to socialism in the hope of preventing an exodus of Asians and foreign technicians, his hasty action has brought trade and finance to a near standstill and has caused cancellation of some \$3.5 million in planned private investments.

Nyerere has also decreed that government leaders cannot have outside income. This was aimed at union leaders and other radical politicians whom Nyerere insists must practice as well as preach socialism, but it will add to civil service discontent generated by "voluntary" salary cuts last fall.

Moreover, next month's scheduled negotiations with Kenya and Uganda on a treaty of East African economic cooperation have been jeopardized. Although the two countries have reacted with restraint, they will be even less confident than before that Nyerere intends to abide by the spirit of the proposed treaty.

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POLITICAL SITUATION HEATS UP IN SIERRA LEONE

With general elections expected within a few weeks, Prime Minister Albert Margai faces serious tribal polarization among the military and a possible merging of disparate opposition elements.

Margai claims to have evidence that army plotters intended to assassinate him and other key leaders and to form an advisory council to help the plotters run the country. He has named four of the council's members, including Siaka Stevens, leader of the opposition All-People's Congress (APC). So far, none of them have been arrested, but eight officers are being held for trial and at least five noncommissioned officers are in custody.

Underlying the dissension long evident in the 1,350-man army is a cleavage between the southern Mende tribesmen who dominate the regime, the opposing northern Temne tribe, and the less numerous Creoles, descendants of freed slaves living in the Free-town area.

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All but one of the officers under arrest are northerners and include army Deputy Commander Bangura. Mende army officers are applauding the arrests, but northern and Creole officers are saying little. Aware of these divided army loyalties, Margai

is reluctant to form a local court-martial and has asked for British officers to head it up.

There is no hard evidence that Bangura connived with the APC or other opposition elements, but the prime minister [REDACTED] 25X1

[REDACTED] recently lashed out publicly against "certain sections of the community" for planning violence. When the plot was first uncovered, he called on Guinea for support "under a previous mutual pledge of help," and Guinea responded by sending troops and MIG aircraft to the border area. Margai's appeal to the Guineans has aroused some indignation, especially among northern and Creole elements from which the APC derives its principal support.

Whatever the true dimensions of the affair, Margai appears sincerely concerned and determined to use the incident to discredit his opponents. At the same time, however, he announced last week that he would permanently forgo his controversial plan to make Sierra Leone a one-party state, a move calculated to take some of the steam out of the opposition. Strong currents of discontent still exist in the country, nevertheless. In particular, Margai will still have to counter criticism of this year's heavy budgetary deficit and of the draft republican constitution he has rammed through the Parliament. [REDACTED] 25X1

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WESTERN HEMISPHERE

Talks among the hemisphere's foreign ministers are well under way in Buenos Aires, but some of the thornier problems are far from solution.

Revision of the OAS Charter--the primary task of the Third Special Inter-American Conference now meeting--promises to be accomplished rather routinely. Rather than provoke a battle, sponsors of some of the more controversial issues--such as the inter-American military advisory board under the OAS desired by Argentina and Brazil--may decide not to present them formally.

Formalization of plans for the proposed inter-American summit--the main job of the meeting of foreign ministers in Buenos Aires--seems increasingly difficult. The chief stumbling block is the insistence of a number of governments, led by Colombia, Mexico, and Venezuela, that an agreed agenda be worked out before a site and date are named. Achieving such an agenda will depend on the delegates' ability to work out compromises on issues to be discussed or avoided.

The atmosphere in which the delegates are working continues to be disturbed by reports that disgruntled Argentine labor elements may seek to disrupt the meetings in order to embarrass the Ongania regime. No incidents have yet occurred, however, and the government's stern warning on 14 February that full military force would be applied against troublemakers may at least temporarily dissuade the labor leaders.

In Mexico, 14 nations have signed the final text of the Latin American denuclearization treaty after more than four years of negotiations. Chances of the treaty's becoming operative, however, appear slim. Ratification will be difficult for at least several Latin American states, and each of the world nuclear powers concerned maintains serious reservations over portions of the text or its entirety.

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LABOR-GOVERNMENT TENSION INCREASES IN ARGENTINA

Tension has increased in the struggle between the Ongania government and the Argentine labor movement, and it appears that moderates on both sides have lost their fight to avoid a major confrontation.

The conflict began when the government implemented new work rules for laborers in the ports and on the railroads. Since the longshoremen's strike was settled in December, the regime has ignored its agreement with the union and has prevented most union workers from returning to the docks. The General Confederation of Labor (CGT), bitter over this failure to abide by a negotiated settlement and incensed by what it considers a government hard line on railroad reforms, appears to have given up its policy of moderation and has declared a new "struggle plan" to combat the regime. As part of the plan, the CGT has called for a series of wildcat strikes and demonstrations starting on 20 February.

CGT leader Augusto Vandor, formerly one of the moderates, has apparently given in to union pressure and now is supporting an antigovernment stand. Vandor has gone so far as to threaten demonstrations and violence if the regime moves against the CGT.

Ongania has made it clear once again that he does not intend to back down on reforms and that he will not accept union defiance. The government has instituted criminal proceedings in a federal court against the CGT leaders for declaring the struggle plan.

Following a special meeting of the National Security Council on 14 February, Ongania announced that he had created a board, consisting of the three armed services chiefs, with power to use military force to counter any internal disorder. The move was clearly a message to the CGT that violence will bring strong and swift government reaction. Ongania also prohibited the CGT's planned demonstrations and froze the bank funds of two major unions.

Ongania had hoped to avoid a confrontation while the inter-American conferences are being held in Buenos Aires. His security forces can control the over-all situation, but even a few violent incidents--especially if directed against the conference delegates--would embarrass his regime.

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FURTHER STUDENT UNREST LIKELY IN MEXICO

The student discontent that plagued Mexican universities last year seems likely to surface again as the new school year begins this month. There is still dissatisfaction with university management and resentment over the continued imprisonment of student strike leaders arrested during the army occupation of the university in Morelia last October.

These grievances may be the peg points for renewed student agitation, which observers are predicting especially at the National Autonomous University in Mexico City and at the universities of Guerrero, Sinaloa, Durango, and Puebla. In addition, the Mexican Communist Party is trying to foment a nationwide strike at teachers' colleges.

Student troubles last year in various Mexican states were accompanied by an upsurge of Trotskyist influence at the universities. These unorthodox Communists have been of concern not only to the government, which cracked down forcefully on them in a series of raids last year, but also to the less radical Com-

munist who have traditionally had significant influence in student organizations.

Trotskyists have made the first move to inflame the student body at the National University. They are not only protesting President Diaz Ordaz' choice of an off-campus site for the ceremony inaugurating the new school year, but are calling for the release of student political prisoners and denouncing Diaz Ordaz' methods of ruling Mexico.

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DOMINICAN PRESIDENT MOVES TO WEAKEN OPPOSITION

President Balaguer appears to be moving to weaken and isolate the left-of-center Dominican Revolutionary Party (PRD), the country's largest opposition group. Balaguer is deeply suspicious of the party and probably fears it will try to overthrow his government.

The PRD accuses the government of adopting "Trujillo-like" actions and thereby "destroying the basis of the democratic system." For this reason the party claims it cannot support the government in the event of a coup. It has, however, disclaimed any intention of participating in a move to oust Balaguer and there is no firm information to contradict this. Instead, the party has called for a "peaceful mobilization of the people" to protest alleged government repression.

In his attempt to weaken the PRD, Balaguer has favored the efforts of moderate party dissidents to capture its leadership. In

public statements, the President has portrayed the present leaders as radicals and hinted that they are cooperating with the Communists. He has given government jobs to several PRD leaders--who were subsequently bounced from the party. The President may have encouraged the attempt of PRD dissident Martinez--the government's minister of finance--to challenge the party regulars' control of the patronage-rich Santo Domingo municipal government.

While ostracizing the PRD, Balaguer has extended an olive branch to its erstwhile ally, the Revolutionary Social Christian Party (PRSC). He has recognized the PRSC as a "loyal opposition" and has indicated an intention to respond formally to its criticism. PRSC leaders, eager to make gains at the expense of the disunited PRD and anxious for government favors, have moderated their criticism of the regime and have promised to support it in the event of a coup.

Balaguer's efforts may have contributed to the note of uncertainty evident in recent PRD pronouncements on future policies. The ultimate effect may be to drive the party into the arms of the Dominican Communist Party and the Marxist-Leninist Dominican Popular Movement, which are calling for a united front of anti-Balaguer groups.

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